

# YouTube Transcript Generator

Generate YouTube transcripts for free with Kome. Get the full text of any YouTube video in seconds.

[Features](#)

[Pricing](#)

## Transcript

Introduction be careful uh thank you everybody uh good evening uh thank you for coming along to this uh session here at the world economic Forum uh welcome all we'll get straight into it quite quickly I'm Jerry Baker I'm editor at large of the Wall Street Journal despite my accident I actually recently became an American citizen I've lived in the United States for 25 years but it's pleasure of me to be able to lead the discussion here on this uh interesting and important topic modern supply side economics when I think most of us certainly most of us from an American who've lived in America for a long time always think of supply side economics it's the kind of it's been the watch word of conservatives for 20 30 years we'll think of Jack Kemp Ronald Reagan Jack Kemp and N Gingrich and people like Paul Ryan and their their conception of supply side economics was tax cuts particularly tax cuts for business capital gains tax in tax cuts incentivize investment incentivize uh free uh direction of uh resources and you get you

Michael please restrain yourself if you will uh you get the idea was you increase the supply side of the economy by doing all that but of course in the last few years we've had this pretty remarkable I think it's fair to say uh economic uh policy at least transformation in the United States uh led by Joe Biden's Administration um these Extraordinary Measures and again by the way this is of course this is a Administration with a very very narrow majority in the congress not many people thought a lot would get done but they passed successive major economic uh policy measures Michael doesn't like any of them I'm sure we're going to hear a bit about that but Jennifer who's here very much the author of many of them but you just go through them whether it was the American Rescue plan right at the start which obviously was help helping to stimulate designed at least to stimulate the economy as economy was still coming out of covid but also contained some important uh measures and things like education um we had the investment infrastructure the so-call bipartisan infrastructure act uh and that was by the way American Rescue plan was \$2 trillion rough approximately the bipartisan invest uh infrastructure Investments was half a billion dollar or so 10 year these are 10 year numbers of course in the US um the famous uh Ira in inflation some of us will have arguments with the naming of that legislation but it was the inflation reduction act that's its official name uh major spending of course on green initiatives and on Health Care um and of course we had the chips act too all of these things have added up to trillions trillions of dollars over 10 years uh a real transformation in in US economic policy after years and years in which the left Democrats TR cautiously none of this sort of big government big government initiatives but that all seems to have been abandoned in the last

last few years and of course most interestingly it's become very much the uh uh the debate is whether it's a model for the rest of the world it's become a model in some extent because there's been a reaction to it around the world particularly here in Europe concerns about some of the provisions and we'll get into this talking about uh whether the extent to which this is a uh domestic focused um National Champion um quazi protectionist approach but also I think many people have adopted uh what they seem to like about much of the Biden administration's approach and think that it's the right way to go especially in terms of some of the green investment and some of the other things so anyway setting the ground there uh we've got a terrific panel I just quickly introduce them I don't need much introduction but I will quickly briefly um on my immediate left Rachel Reeves Shadow Chancellor of the Exchequer uh in the UK and obviously that means chief economic policy spokesman for the spokesperson for the opposition labor party um he been a member of parliament was 2010 I think that's right and we Rachel and I do have one thing in common which is that we both started out our working careers at the Bank of England she obviously has gone on to considerably greater things than I and as we look at the opinion polls in the UK which seem to suggest that the labor party is on course probably this year for a majority on the scale of Tony Blair in 1997 those things are only going to get greater for Rachel so Rachel welcome thank you for being here uh Blake Moret uh is chief executive of automation of Rockwell Automation based in uh Wisconsin I think Blake you've been with uh you've been dealing with many of these issues and we want to hear from you on the kind of industrial uh the sort of the view from industry on on a lot of these measures uh you've been with Rockwell I think for

almost 40 years I think I was reading remarkable you he obviously doing you very very well on his left Michael strain many of you will know uh Economist uh director of economic policy at the American Enterprise Institute um a widely written widely published author on economic policy on Broad macroeconomic policy but also on labor and international economics and uh I think we'll probably be the member of the panel here with the most should we say uh uh should we say heterodox views uh from the kind of from from the from the Davos uh consensus and on the far left is Jennifer Harris uh who is now director of economy and Society at uh the economy and Society Initiative for the us at the William and Flora huet Foundation but who was of course senior director for international economics at both the National Security Council and the National Economic Council uh in the early years the Biden Administration and so as I said right at the start uh at least one one of the authors of this uh modern supply side economics so we' as I say we've got a terrific panel let's get straight into it I'm going to start with you Jennifer since you are the uh the the prime mover uh in all of this the whole idea behind this and was said at the time and again we can talk about the individual individual measures but the broad package was intended the plan was to increase the supply side capability of the economy um with these kind of with with with this significant government intervention but also with things like education and child care and all the other things that uh uh that are associated with it and of course this major investment in green technologies obviously it's early days um but have you seen any evidence yet that uh you're achieving the kind of liftoff of the supply side economy that uh that that that you and the president claimed for it St yes I think uh you Have you seen any evidence of a

liftoff of the supplyside economy know there's a an important debate that we should have well about what the evidence should be I think we need to kind of be thoughtful about the the arena that we construct for ourselves the ground on which Michael and I should should fight this out um but uh you know I think the the um probably most uh powerful test is is just in the basics of inflation I think there are two foundational sort of concerns or anxieties uh on the economic score um you know keeping most of us up at night uh certainly for the last couple of years that's been the acute inflation that um several of us in the White House assessed to really be a product of uh the UN of the pandemic uh but prior to that and pre-existing but never really going away still there below the surface we had you know a set of concerns that a lot of us called secular stagnation that really added up to you know slack in the aggregate demand a US economy that was um performing well below its potential and you know not a lot of of clear theories about exactly how to how to get out of that hole and it seemed like whether it was the longer burn secular stagnation or inflation uh we we kind of put together a formula that solved for both simultaneously which was essentially to exactly as you said push the productive capacity of of the economy to the right um and do so through a set of Upstream backbone infrastructure investments in physical infrastructure the B the the B the technological backbone of the country and chips and Science and the energy backbone and um so it's your question of of how's it going certainly we've we saw inflation come down faster uh with uh you know less pain in the US is something of a controlled experiment but you're not going to ascribe that to the inflation reduction act not not to the inflation reduction act per se but um I do think that uh the uh there there is

important um you know Green shoots in the data that that looks exactly like you would want it to if you wanted the story to to play out right so you see the kind of hockey stick graph uh in um investment in uh construction spending you see uh important shifts in the comp both job gains really strong labor market that's persisted uh as interest rates have gone up and importantly shifts in the composition of jobs to uh much higher productivity higher value added higher technology jobs these are better jobs and it's adding to the overall productivity gains that we've also seen and um and so uh there's a whole lot to like in this formula at least as a recipe for solving what AI right now not for nothing you have these co- benefits it seems like it's a it's a it's a finally a politically sound approach to M moving the ball on climate and hopefully we'll see but kind of through doing all of these Investments uh and and you know places really disaggregated across the country you know that get in away from the coasts you uh see people uh believing that their government can deliver for them again and and a reinvestment in kind of small de democracy before I come to the others do do you accept the criticism of suon your own party that the American Rescue plan in particular um with the huge um stimulus it represented particularly in the form of the checks that went out to to all Americans earning under a certain uh income level that huge stimulus and people like Larry Summers uh did say that he and others too thought that that believe that was extremely uh inflationary and contributed the inflation so you know which then L obviously the Federal Reserve had to raise raise interest rates you claim the inflation reduction act isn't a bit like you know the arsonist uh setting fire to the house and then calling out the fire brigade to uh to put to put out the fire no you know I think that we

have had this um this debate about the root causes of inflation and it seems like they have uh you know we see inflation come down as the a lot of the supply chain Kings have Unwound uh I think there's a lot of evidence to suggest this this was firmly a set of uh supply chain Rel causes that are that are gone I mean it was it was a quick bout and we're done with it and um you know as a a policy maker who's having to make policy in the fog of uncertainty you're forced to basically pick a default setting right which way do you want to air I would be you know knowing what we know now that that we do have the ability to uh I think use a certain kind of fiscal Investments that I think are disinflationary over the medium term combined with the monetary policy tools that we have uh it should give us comfort that in these moments of crisis we are allowed to air on the side of uh of kind of putting a floor under the economy and so I I would hope that that's the lesson that any policy maker takes from the last couple of years thanks Jif Rachel Reeves I come if I come come to you as I said at the beginning a lot of interest in this from the international perspective both its ramifications politically and and the the way in which it it might be a model for other governments um is bomic the blueprint for the next Labor government What is your view of supplyside uh well first of all just back to where you started you know the traditional view of supply side is that it's um policies from the right and the traditional view of the center left is the sort of Keynesian pump priming and we're now very much owning this space of uh expanding the supply side capacity of the economy look we have different constraints to the US particularly around fiscal uh Headroom which means that we would have to do things uh differently if we have the privilege of forming the next government uh but uh on investment in low carbon uh energy for

the reasons that Jennifer set out that uh um it is the cheapest form of energy in the longer term will be uh uh de disinflationary uh in addition the need to build a more secure and resilient economy in the face of the shocks that we're facing I call it secure economics uh but it is very similar to the modern supply side approach that Janet Yellen and others have set out but in the UK it can't just be about spending money to improve the supply side capacity we just don't have that luxury in the UK so for us it is particularly around planning reforms to unlock private sector investment to improve our infrastructure in the UK that is a big barrier to business investments in the UK right now uh we are I think the only um uh G7 economy that has a lower participation rate in the uh labor market compared with before the pandemic we have got to get people back to work uh by dealing with the huge backlog in our National Health Service and the high levels of sickness through both physical and mental health that would be another supply side um policy that would make a big difference to expanding the supply side capacity of our economy and also reforms to our pension system to unlock some of the long-term patient Capital so I think our aims are similar and our diagnosis is similar of the need to build a more secure and resilient economy and address some of the supply side uh constraints that have led to the secular stagnation that Jennifer has described but the policy perspective in the UK will be different I have set out a green Prosperity plan particularly a national wealth fund to invest alongside business in some of the uh opportunities to move us to a low carbon economy but for me it will be primarily the non-fiscal levers uh to to grow our economy and expand that supply side capacity but very much a focus on the supply side rather than a more traditional uh center-left demand



side the election will be in the next year will you given that given the fiscal constraints are you planning to put numbers to the plans that you have ahead of the election so the people can vote on knowing what they're what they're going to be yes of course and I've been very clear there will be nothing in Labor's Manifesto that's not fully costed and fully funded I've already set out a set of fiscal rules that we will pay for day-to-day spending through tax is there plan to be fiscally neutral or I mean what's the if I'm sorry yeah so the fiscal rules are that we would pay for day-to-day spending through tax receipts we would get debt down as a share of GDP debt has increased in 13 of the last 14 years on under conservative government and then subject to that we would invest in the things to boost our long-term potential as an economy we've already set out some fiscally neutral uh changes to for example to get rid of the non-dom tax status and replace it with a scheme for people who are genuinely in the UK for a short period of time changes on rules around how uh private schools are are taxed and that money will go into Frontline public uh services but as I say there is not going to be a lot of fiscal Headroom and all of our policies including the commitments to get to a zero carbon economy will be subject to that tough set of fiscal rules and before the next election there will be at least one more Budget on the 6th of March if the election is dragged all the way into the Autumn as uh Rishi sunak our prime minister has suggested then there is likely to be another fiscal event in the Autumn of next year ahead of the election so um we will make the final decisions on the numbers based on the inheritance that we will have it's not the inheritance that perhaps I might have wanted but it's the inheritance that uh I will get if I become Chancellor in the next year Blake Blake Mor give

us your perspective on uh from from the private sector of the especially your at The Cutting Edge many of your clients I think are uh directly involved in many of the initiatives that are in the various pieces of legislation give us your sense of how well it's working and and what your expectations are since again we're in the relatively early stages of this sure well we benefited in general from investments in America and uh that's gone on for a How has the US benefited from the stimulus while I would say um you know going back to really 2016 Rockwell as a supplier of automation hardware and software to uh American uh manufacturers and production companies were probably the most pervasive technology in those plants um we've seen um large increases in Revenue in profit uh and uh in our employee Workforce and I think the Investments that are being made with the stimulus are we should look first at those as investments in Technologies and infrastructure that's absolutely important for America to succeed and to successfully compete in the years to come but it's not going to be one and done we're in the early Innings um of uh the money actually having impact and for many of these things such as chips and science it's not just building the Fabs it's the whole infrastructure around the semiconductor uh Wafers uh that's going to be required for many years for us to truly make that supply of that critical technology more resilient Michael comes you you you like the old supply side economics that that Rachel described but you know I mean obviously you'll want to say what you want to say about uh about biomics and what we've seen here but it's not exactly as though that supply side uh approach that that you favored and we can talk about about the Trump tax cuts it's not as though that exactly dramatically expanded the the capacity of the US economy either

did it I mean us productivity performance has been pretty weak for quite a long time USA you know relative we've talked about secular stagnations of the problems that the US has had so why why why why shouldn't we why shouldn't we give this a try uh the US certainly could be doing better um I don't think uh it makes sense to characterize subsidizing economic demand and to characterize the government picking winners and losers uh as some sort of supply side reform I do think some of the things President Biden has done do count uh as supply side reforms Broadband access for example you know will definitely help create a more educated Workforce that expands the supply side of the economy uh Child Care properly done helps people to work increases the supply of labor um but that does not I think uh generally characterize the administration's approach to economic policy and this is a bipartisan problem in the United States it does not characterize president Trump's approach to Economic Policy my uh big objection to this new bipartisan approach is that it does not work when President Trump launched his protectionist trade War it was sold as a case of concentrated benefits and diffused costs everybody's going to pay a little bit more for cans of soup as a consequence of these tariffs we're going to have this revitalized manufacturing sector what actually happened manufacturing employment went down not up because inputs to production for domestic manufacturers went up and because other countries retaliated what's going on with President Biden's uh uh approach to this we're seeing an increase in construction spending we are seeing no increase in manufacturing employment manufacturing employment was flat over the last 12 months months uh you are absolutely right about the need for an ecosystem around

semiconductors simply simply passing a law that gives money to build Fabs in swing states in the 2024 presidential election does not create a Workforce that is capable of working at those Fabs and what we're seeing is that some of those Fabs are producing chips that are already obsolete I want to give Jennifer a chance to respond because I sure was shaking a head there you disagree that Manufacturing being created I think you should cite your Source um my the Bureau of Labor Statistics well there was a there was an unfortunate Economist uh piece that came out with that claim and um actually uh some economists uh on uh close to this Administration but uh really well respected from employee America went toe-to-toe with um kind of the underlying data and and uh I think there there there is a retraction and a correction in the works I am told but that's I think exactly reinforces my point about uh we are we are breaking the mold we are doing new things here and we need better metrics uh upon which to kind of have this debate so that we're not uh you know sort of uh susceptible to the kind of cherry-picking and the cylinders like uh politicisation of um you know cases that are not really representative Blake you're you're very much on the ground as it were this I mean what's your perspective what are you seeing are you seeing a Revival of us manufacturing and and is it ascribable to to the to to all these measures well uh about 12.9 million The goal of revitalizing manufacturing manufacturing jobs uh the data that uh we've seen indicates that um um about 800,000 jobs um new not necessarily new jobs in manufacturing about three4 of that 800,000 figure were added back uh to recover losses from the pandemic from the pandemic um a couple hundred thousand of new manufacturing jobs very similar to the jobs added in 2018 that when the tax cuts

and jobs act were passed so I think both of those um both of these um sets of measures have actually had a positive benefit on us manufacturing um but it's going to take many years it's not going to be a oneandone thing uh for either of these I know you know going back to tax cuts and jobs we repatriated money and increased our investment uh a large part of that was in the us and we're already seeing it's early Innings but we're seeing the benefit of stimulus um solar panel uh manufacturing and providing the automation for that electric vehicles and batteries so we're seeing that but by no means uh are we at a point where we can uh declare Victory or total success Jerry if I can just quickly please get going and I I I no offense to your excellent company I hav mentioned this to you I was an intern at Rockwell Automation several decades ago uh the four-sided clock and and and and and all that uh well I don't know I didn't stick around that long it was a summer internship um I I would question the goal of revitalizing manufacturing it seems to be implicit in both the Republican and Democratic party right now it seems to be implicit in president Trump's protectionism and implicit in President Biden's approach to economic policy that revitalizing manufacturing should be the objective or an objective of Economic Policy I just flatly reject that you're quite happy to say but but I mean isn't I mean in in an age of um you know where we've seen these Supply uh supply chain constraints where we see growing geopolitical tensions the you know relations with China us and China obviously deteriorating this whole you know what seems to be going and this does seem to be bipartisan is this desire for near Shoring reshoring all that doesn't that alone argue for a revitalized US manufactur these are all real threats uh it is perfectly reasonable to argue that the United States should not rely on

semiconductors produced near China with whom we have an increasingly adversarial relationship that it is a huge leap to argue that they should be produced in swing states in the 2024 presidential election they could be produced in Southeast Asia they could be produced in Mexico they could be produced in a variety of places and the private sector doesn't need the White House to tell it how to manage supply chain I want to come on to that but Jennifer again is I can see I think it's actually really important to um defend uh the economic importance of manufacturing uh not as a kind of um National Security imperative uh but really on the straight up economic fundamentals it's really important to have a DI Minimus uh manufacturing base uh not so much for what you are producing today but for the ability to innovate tomorrow uh electric EV batteries uh the the US kind of invented sodium ion technology uh we went to the different Direction with lithium uh right now you know China is outfit fitting all of its EV manufactur not all but a lot of its EV manufacturing battery manufacturing base to run on sodium because of advances that have happened in sodium we have to now build an EV manufactur battery manufacturing base and and before we get to the question of of you know figuring out sodium and reverse engineering those that wouldn't be the case if we had some dominous manufacturing base so it really is about the Innovation clusters uh and the the distributed geographies uh that um that a manufacturing base allows for economy I want to move on I know you'll want to respond Michael but I want to Government picking winners move on Rachel I particular want to come to you and um you know this is all dressed up as modern you just as you well described did kind of in you know swapping clothes between the

keynesians and and the kind of uh Supply Siders with this now being you know supply side now being the kind of the the the progressive uh view some of us are old enough to remember industrial policy um and it does sound quite a lot like industrial policy what Michael calls government picking winners I actually literally I'm old enough to just about to remember uh the labor government of the 1960s and 1970s it didn't end well did it um government you know uh directing investment into particular areas and in fact the whole Revival of um the sort of the western if you like what people now call the neoliberal consensus but the whole Revival of of of of Western of the western economy that took place with the liberalization and government getting out of that occurred precisely because of that this just sounds a bit like you want to take us back to the Glory Days of um Tony Ben so I think is it's a myth that there's not an industrial strategy today there is always an industrial strategy whether it's written down or not and the industrial strategy today of the government is a you know lay say fair leave it to themselves uh strategy uh we're not in the business of picking winners and picking firms to back but there are sectors of the economy where Britain does have huge strengths uh life sciences creative Industries Professional Services and in some of the clean energy industries of the future particularly carbon capture uh green hydrogen and floating offshore wind because of our industrial Heritage and our climate and uh and and and other strengths that we have and in a transition which is what we will be going through in uh in in in energy there is a role for government to partner with businesses but also with universities to make the most of the resources and the potential that we've got and there is a global race on for these jobs and this investment and if the

industrial strategy is get out of the way and just leave it to the market then I can tell you the jobs and the investment won't be coming to Britain they will be going elsewhere to countries that have got a more active uh industrial strategy so um we are proud that we are going into the election with an offer of an industrial strategy uh and an industrial strategy Council on a statutory uh footing actually borrowing from some of the better ideas that the conservatives had had over the last 14 years when Greg Clark was the Secretary of State for uh business uh he did um uh pull together an industrial strategy and Andy haldane the former um Chief Economist at the bank of England was uh chairing that industrial strategy Council that was ditched I think there's been something like 11 growth plans um in the 14 years of this conservative uh government uh we want to have one that lasts to give businesses and I think this is a key part of the approach of an incoming labor government Pro bus Pro wealth creation and working with business to identify the things that are currently blocking investment and as I say this is certainly not about just throwing money at a problem this is about reforming our planning system so that private sector investment there at the moment 200 billion pounds worth of project stuck in the pipeline trying to get a connection to our national grid uh system we want to unlock that private sector investment in the economy and through the creation of a national wealth fund leverage in private sector investment in some of those new exciting Technologies from carbon capture to small modular reactors to Green hydrogen and floating offshore wind where Britain has huge potential but we'll miss out on it uh unless government play more not a National Enterprise board Revisited or no absolutely not this is a modern uh approach it is a



different approach uh but I think it is also distinct from the approach that you see in the US in in part because of the resources and the constraints that a labor government would inherit actually getting people back to work would probably be the quickest thing you could do to boost the supply side capacity of the UK but when you've got a NHS waiting list of 7.8 million you can see that there are a lot of people who are not available for work today so our modern supply side approach is beyond uh an industrial strategy it's looking at the other things that are holding us back and constraining the supply side um of our economy Blake I think you think that actually there are benefits from if you like from both from both the old supply side economics uh and the modern supply side economics we were just talk talking a little bit earlier about you know obviously Donald you we had the big Donald Trump uh tax cuts which cut particularly corporate taxes by a significant amount you and you know there are some going continuing arguments among economists about whether they were effective in terms of improving uh increasing investment or but you you you were you you you viewed that quite positively and you think that has helped as well to to energize the US economy don't you I do and think further to that I I do think there's a very strong case uh for having as an explicit goal the increase of manufacturing in the US now it's not all manufacturing it's manufacturing that we can compete and win in which means that it's a combination of the technology and the labor even if those labor rates are high compared to the average in the world we've proven uh and our customers have proven that the combination together you can't can compete so I think the inference that we should you know give up manufacturing as a part of the economy would be a disaster not only the jobs

directly employed in manufacturing but the multiplier effect the capital formation that's affected other services that are affected is absolutely essential and we see that companies even with the higher wage rates in the US can compete and win in manufacturing areas both are important let's I want to I want to come to questions we've not got too much time left so but I want to look at the international implications of this obvious we're here in Davos and we're looking at the global um economic implications of this and again I want I want you all to I want to get all your views on this Jennifer I'll start with you obviously obviously you know the big concern what whatever one's views are other otherwise of the merits either of you know boosting manufacturing Michael doesn't like that but but s doing it in this way and a lot of you know people on the right uh in the United States and indeed around the world don't like that but whatever the specific merits there's a lot of concern that this represented um yet another kind of blow to to in the direction of de de globalization that it was about you know America favoring privileging uh American companies uh it it s sent I remember being here in Davos two years ago I think where just not long after it passed when Joe Mansion was here and was getting a getting his his ear Bent by European uh officials telling him you know this is this is basically protect this is this is this is protectionism this is thinly disguised protectionism um you know and it's going to lead to uh you know increased uh you increased Focus but around the world subsidies increasing all contrary to the to principles of free trade and everything else how do you respond to that and I mean you know again I know there were some concessions were made but but the you know made in America Provisions the America First broad approach to this with the chips

act with the IRA it does look like this is um this is is a this is this this this this is a domestically focused um uh sort of raised middle finger to the rest of the world um not surprise I I I US energy policy would take another view um maybe two or three points one the I think probably the largest uh dividend internationally from at least the IRA which is what I know best is just the technological spillover and the way that uh this R&D and learning will push cost curves down uh across the board especially for some of the more you know Nation technology in areas like hydrogen and carbon management but uh the best estimates I've seen are from rodium suggesting that uh across the board you're looking at a 10 to 15% uh reduction in uh the cost of Clean Energy Technologies which looks a lot like the role that Germany played for solar in the 90s thing one thing two uh you know this is adding to aggregate demand at a time when China is slowing when the world needs sources of agregate demand I think it is uh fair and and um you know uh right to uh expect the US taxpayer to if they're footing that bill to be first in line for these Investments especially when uh Joe Mansion has made quite clear that it was it was essential to getting them over the line and then I think the response uh from the US and I'm thinking mostly of the the the speech that I worked with Jake Sullivan on is kind of my my parting gesture out out the door in the administration this past spring uh the posture of the US has been do it too not in a glib way uh we want you to do it we need you to do it in fact we can't reach the domestic goals that we've set out for ourselves without the US's Partners uh you know doing something uh of the sort whether it's secure nomics in the UK I think you know there will be local context and flavor but uh by and large you know the the kind of Leave It to the market uh you know approach of this

energy transition we've tried that for 40 years and it's gotten us nowhere we don't have time uh to to kind of you know run that experiment again and so you know we need to take a more Hands-On approach it's going to look different everywhere but I think what the US has said and now we need to help it follow through H is that uh you know the lease of the Biden Administration they will overhaul a lot of it US foreign policy into making the US a more affirmative partner in helping other countries do it too there's three trillion dollars that we need to see you know materialize get in the game um uh in the clean energy transition we've just passed the \$1 trillion Market that is more than enough opportunity there uh for everybody Michael I mean there seem to be a bipartisan whatever again on things of the specific measures there kind of a bipartisan consensus at least as far as the Trump side of the Republican party's concerned towards America first um do you think this fits into that kind of broad could be described as sort of protectionist approach yeah I think I think I think they I think it's very hard to distinguish between the two to the point that President Biden despite many uh uh expectations kept in place the Trump tariffs despite the fact that taking the Trump tariffs down would have reduced inflation which the president said was his his number one goal just to be clear I don't think the US should not have a manufacturing sector I think the I think the manufacturing sector in the US is vital and important and I think exactly for the reasons that you say it is uh and there's a reason why manufacturing employees in the United States earn so much more than abroad my objection is to dumping hundreds of billions of taxpayer dollars onto that sector uh rather than just treating that sector neutrally along with all other sectors in the economy I think there's no question but that

the inflation reduction act has been a major geopolitical problem if I recall correctly president macron uh said that it threatened to fragment the west and what you get is a subsidy War where we subsidize they subsidize we do some car outs here and there they do some carats here and there and and when subsidies are countered with other subsidies they're not effective and so all we're doing is lighting taxpayer money on fire if you want to have advances in innovation in clean tech do a carbon tax it'll raise revenue which is what we need it is neutral as to which Technologies it supports you don't have the White House and the United States Senate deciding uh who gets Ira subsidies uh you have you have you have markets deciding that will produce better outcomes there's a state capacity issue here the the United States government is having a hard time getting the money out the door Child Care Centers have to be built within 50 miles of Fabs all these competing goals even if the even if the the law were perfectly designed which of course it isn't there are real questions as to whether or not the government can actually make this sort of thing work Blake your your perspective from a major Focus on US US company with major US uh with major International operations is this uh how do you see it is this a is this going to um focus more of your attention and resources and you know on the US well it already has uh as you know the um as as the share leader um and the amount of demand that's being placed on us uh we're definitely seeing uh increased emphasis um because of the actual activity and also because obviously our European competitors see it as an you know an opportunity as well uh and and so they're certainly competing for this and we expect to you know win more than our fair share quite frankly and so we're making additional investment I

think that it's a starting point uh these are these are multi-year uh multi- multi-year um um propositions particularly semiconductor you know the transition and the automotive industry as we look at you know bringing up renewable forms of energy um and the and the grid to be able to do that we're going to have to have heart and it's going to have to survive you know multiple administrations for this to have the kind of long-term impact uh that was originally uh intended Rachel Trade is this a consideration for you as a labor government you're going to be having important conversations with Partners obviously in the EU but around the world about looking for you know trade you know closer trading opportunities is this going to be something that's going to help that or be an impediment to that what's your where do you stand on this well I I strongly agree with what Jennifer said um at the beginning and I sort of like Michael's position is sort of if we just sort of carried on like we were everything would be fine but everything wasn't fine economies weren't really growing uh and inequalities were uh widening and we were losing more jobs to uh and and and exposing vulnerabilities by relying too much on countries that don't share our value so we have to do something differently I'm not suggesting I don't think Jennifer is either that everything has been done correctly uh and you know with the benefit of hindsight maybe you do some things differently but I think we have got to try something different and I think the last few years have shown us that these sort of once in a generation or once in a hundred year pandemic War um uh Etc these things are coming at us thick and fast and they are exposing vulnerabilities in both our economies and many other developed economies alike that the the model of the fastest and the cheapest and the quickest and it doesn't matter

who owns things and where they're made I think those days are gone because those do those things do matter and the vulnerabilities in our economies have been exposed by a model that I think has passed its sell by date uh now I that certainly doesn't mean trying to do everything yourself and for a small open economy like the UK it can't possibly mean trying to do everything for oursel but it does mean trying to build a bit more resilience I into our economy so when Shocks come along Britain is not as exposed as it has been you know our inflation Rose the fastest our economy uh um has struggled uh the most to bounce back and a lot of that has been because of a lack of resilience and Too much exposure to these Global uh events and we have got to build the supply side capacity get more people into uh work more good jobs in parts of the country that haven't benefited um in the last 40 years uh and that means trying something different you might not always get everything uh right but if we carry on like this we're going to find British growth stuck in the slow lane whilst other countries seize the opportunities in a whole range of Industries um but I would just go back to the point that in the UK the approach will be different from the US but the same philosophy that boosting supply side capacity uh is the way to achieve strong and sustainable growth in the future thank you we got just a couple minutes for a couple of questions from the floor please yes ma'am no there's a mic coming Mahin Khan from the times of London um is it on is it on yeah yeah I'll still sh can you hear you can hear that sorry Mahin Khan from the times of London um one issue that hasn't been mentioned is how to expand the supply of labor and I know that Rachel you mentioned it a little bit when talking about Labor Force participation but migration is an obvious way that rich countries

have expanded the the the supply of their labor hasn't been mentioned and I'm wondering from Jen and maybe from you Rachel whether there's a tacit feeling that Western democracies can't actually handle increases in migration and when we think about supply side economics we're just going to ignore this because it's too uh politically or culturally sensitive for us to really tackle headon from an economic perspective Rachel do you want to take that uh yes thanks very much um Marin I think that we have got to help support people who are already in the UK economy take take on the jobs that are available uh there are U many vacancies unfilled there are huge skills gaps in a whole range of areas and we can't just turn to the short-term fix of importing more labor we've got many people out of work because of long-term uh sickness I think the uh the the additional cost uh in terms of higher benefit payments and lower tax revenues is something in the tune of 15 billion pounds uh since the pandemic uh because of fewer people people um more people claiming those sickness benefits so we've got to help people back into the labor market and ensure that people being trained up with the skills that are needed you've got this disconnect in the UK today where you've got the um migration advisory Council who recommend uh on the need to bring in migrant labor but that doesn't feed back into our skills and further education policy of what young people and others need to be learning to fix those skill gaps so if we have a lack of people available to work in as data scientists or in Social care what are we actually doing to train people up who were already uh in the UK and that would be my uh response both helping people get back into work and ensuring they've got the skills subject to that of course where we've got skills gaps uh we do need to use migration and I



think migration has been of huge benefit uh to the UK over a long period of time uh not least attracting uh High skill people to our fantastic universities and then encouraging them to contribute uh in our labor market but immigration cannot be the answer to all our skills problems we've got to do more to help people who are already here uh skill up and get the jobs that are available in the economy and I don't know if anyone else wants to comment on this yeah yeah you know I think uh uh in the US to frame Immigration the problem we have several hundred thousand unfilled in um manufacturing jobs today and expected to grow over the coming years to a couple of million of those immigration reform is a part of it reskilling and upskilling uh employees throughout their career in quick hit programs to be able to give them the skills to be able to thrive uh in the jobs interacting with technology is an absolutely fundamental part of this as well and I will say it some of the new technologies including AI hold the promise to simplify tasks and so that people through their career can actually look and compete successfully for new jobs in these manufacturing areas we have anyone one more any quick question we may just about running out of time no in that case can answer the last one yeah Michael you and I'll give Jennifer a chance too so in addition to to immigration which I think is vitally important and I agree with everything you said including about AI we have a great program in the United States uh called the Earned Income Tax Credit which is an earning subsidy uh if you work and you earn \$10,000 a year and you have a couple of kids then the government will give you \$4,000 on top of that that has been demonstrated to increase Workforce participation it's a redistribution is policy but I think it is a true supply side policy because it increases the supply of labor it has

had broad bipartisan consensus in the United States but the consensus for it under President Trump seemed to kind of evaporate and President Biden hasn't chosen to Champion it Jennifer Iwood either on this immigration question or since you're the last you've got the opportunities to wrap it all up on Modern supply side economics thank you um uh not not to leave us with the downer but I I'll just leave you with kind of what's keeping me up at night um I I do agree that there's a lot to the how and this is new and there's you know a lot of humility and learning and um you know some of the most dedicated hardest working people I know are are figuring out and sweating the details every day um it's actually interest rates uh for the um the Investments that we're talking about especially within the IRA although I think it's somewhat Fair of of chips and science as well these are incredibly Capital intensive and uh and and again I think disinflationary over the medium and longer term and to have um rates now that inflation I think is is um firmly settled um lingering at five and a half percent I just don't see any justification uh and it's it's a really dangerous headwind I think when you're looking at you know the difference between a new clean energy investment and a high interest rate environment versus a gas plant that it's going to increase gas plant cost something like 8% and that's going to increase the clean energy investment something like 50% uh so every day matters and I think that we need to see the FED cut 300 basis points before they start asking questions and uh you know not for nothing but I think there are important you know um you know political and other uh consequences that that go along with the FED sort of doing its job of respecting its dual mandate all right it's cocktail hour I think and I can hear the sound of bottles being

opened all over Davos so uh we should let you go at this point but I just want to say it's been a fascinating uh discussion certainly learned a lot about U new uh supply side economics new and old and all of its uh opportunities and risks and everything else that it represents and it's been a wonderful panel please join me in thanking our panel for this conversation

## **Why Use YouTube Transcript Generator?**

### **Fast and Accurate**

Transcripts: Experience the power of technology as our advanced AI algorithms generate precise and reliable transcripts in mere seconds. Trust Kome to deliver text that reflects the content of your videos with remarkable accuracy.

### **Free of Charge**

We believe in democratizing accessibility to essential tools for content creators. Our YouTube Transcript Generator is entirely free to use, with no hidden costs or subscriptions required. Enjoy unlimited access to our transcription services without breaking the bank.

### **Multilanguage Support**

Kome's YouTube Transcript Generator supports over 120 languages, including English, Spanish, French, German, Italian, Japanese, Korean, Chinese, and more. We are continually expanding our language support to ensure that our users can

access our services in their native tongue.

## How It Works

Using Kome's YouTube Transcript Generator is a breeze. Follow these simple steps to get your transcript in no time:

1. **Paste Video URL:** Copy and paste the URL of the YouTube video you want to transcribe into our easy-to-use interface.
2. **Click Generate Transcript:** Hit the button, and we will swiftly process the video to produce a text-based transcript.
3. **Copy and Use:** With just a click, the transcript will be copied to your clipboard.

## Summarize YouTube Videos

Extract key information from any YouTube video with Kome's efficient video summarization tool. Helps you to **save 25 hours per month!**